



Outline of the Start-up “Envisioning Process”

Like many academics, you may have limited experience or expertise in commercial matters. Yet, starting a new company may be the best way to bring the benefits of your research to the public and society. It may also be an exciting and interesting experience, and you may make money.

The “Envisioning Process” is the TTO’s way of helping you fill in the gaps in your experience and knowledge about starting companies, so that you can picture in your mind what it would be like, and recognize whether this is a possibility for you. The process is a series of about five face-to-face meetings with you and others that may be involved in the start-up, with discussion loosely based on the outline below.

In the course of this process, you may decide “that’s not for me,” which is fine! It takes considerable effort and isn’t of interest to everyone. On the other hand, you may decide “let’s do it!” in which case the Envisioning Process can help you identify resources and make initial decisions that can get you started on the right foot.

Pre-meeting

Why should I consider starting a company?

Why not just license my inventions to an existing company?

Would NSF and other federal agencies see it as a plus or a minus?

Isn’t it too time consuming and too complicated?

What are the odds such a company would succeed? How long would it take to know?

Is the market big enough? Would company attract investment?

Meeting 1

Is there a real market opportunity?

What would the company's products or services be?

What is the market for such products?

What competing products already exist?

How significant is the benefit of the new product over existing ones?

What market share might the new product attract? Over what time?

What are the odds of success? How will success or failure affect me?

Is it possible for a university start-up to make it big?

Do faculty ever get rich from a start-up?

Are there any successful UMass start-ups?

How will my personal role in the company change over time?

What happens if the company fails?

How would the company's products get developed?

Where can I find money to do proof-of-concept experiments? Can I do them at UMA before I start the company?

I've never worked in industry; do I really know how to develop commercial products?

Can the company contract with my UMA lab to do research & development?

Meeting 2

How do I build a leadership and management team?

Who should be on the board of directors?

What do I look for in a potential CEO or business partner? Where can I find one?

Can my departing postdoc or graduating student be the CEO or have another role?

Is the start-up CEO likely to be the CEO over the long term?

How do you get rid of a bad CEO?

What does it mean to “incorporate”? How do you do it?

Why incorporate? What are the benefits, and the risks of not doing so?

What are LLCs and C Corps? What state should I incorporate in?

What is the legal process?

How do I find a lawyer who will help the company for little or no cost?

Can I skip the lawyers for now and incorporate the company myself?

What should the company be called?

How do I pick a good name for the company? What pitfalls should I avoid?

What are descriptive, suggestive, arbitrary and fanciful trademarks? How do I do a trademark search? How do I evaluate “likelihood of confusion”?

What does TM mean, and when should the company use it? When can you use [®]?

Why is federal registration of a trademark a good idea? How do you file?

How do I do a domain name search, and which one should I buy?

Meeting 3

What are the relevant UMass Amherst rules and expectations?

What is the UMass Amherst philosophy about faculty starting companies?

What roles am I allowed to play in the company under UMass policy? What roles are not allowed? Can my departing postdoc or grad student start the company?

How much of my time can I commit to the company? Consulting time? Nights, weekends, holidays, vacation, personal leave?

Will potential conflicts of interest or conflicts of commitment block my plans? Will they make me look or feel like I'm doing something wrong? How do I disclose "financial interests"?

Do I need a separate address, email address and phone number?

What educational and mentorship resources are there for me at UMA?

What is the Berthiaume Center for Entrepreneurship, and how can it help?

What is the "Lean Launch Pad" business development method, and why is it so popular?

What is I-Corps? Who is eligible? How to you apply?

What is an Entrepreneur-in-Residence, and how can he/she help?

What is the UMA Venture Mentoring Service? How can it help?

Meeting 4

What kind of company, and where?

What is a “virtual company”? Does this company need a physical place?

Does my company have to eventually build a factory, or can it contract out?

How critical is the company’s physical location?

Where can the company rent lab space or office space?

What are “incubators” and “accelerators”?

What IP rights are there or will there be? How does the company get them?

How do patent rights protect the company? How do I find out if there are other patents that might block the company?

Are the patents on my inventions a good foundation for a company?

How would the company get access to the UMass patent rights? What is an “option agreement”? How would the company negotiate a license?

What would the company owe UMA under the license? What other obligations would the company have to UMass?

What is a sublicense, and why might the company grant one?

Meeting 5

What is “equity,” and how is it used?

Who should own the new company’s equity at the outset?

How much equity should I keep for myself?

How much equity should I give the CEO or business partner? When should that equity be given or “vested”?

What are “options” and “warrants”?

What is an “option plan,” and why do I want the company to give me one?

What is “common stock,” and what is “preferred stock”?

What is “convertible debt”, and why is that used early on rather than a stock purchase?

What is a company’s “valuation,” and how is it determined?

What is a capitalization table?

What is “dilution,” and is it always a bad thing?

What is “off balance sheet financing”?

Investors want an “exit strategy”, what would be a good one for my company?

How much money will the company need, and where will it come from?

How much money do I need in the first 6 months?

Do I need to invest personal money?

What is an “angel investor,” and how do I find one?

What is the UMass Fund, and how do I apply?

What is the Small Business Innovative Research (SBIR) program, and how does it work?

What regulatory approvals will be needed for the products, and how does that affect financing?

What is “venture capital”? How do I find VCs? How do they decide whether to invest?

What is an “A round”, and how is it different from a “B round” or “C round”?

What is an IPO, what does the underwriter do, and how is the stock price set?

What is a “down round”?

What happens if the company runs out of money?